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11 NACIO SYSTEMS, INC.

8 **UNITED STATES DISTRICT COURT**
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

11 NACIO SYSTEMS, INC.) Case No.: C 07 3481 PJH
12 a Nevada corporation,)
13)
14 Plaintiff) **DECLARATION OF MURRAY GOLDENBERG**
15 v.) **IN SUPPORT OF:**
16)
17 HERBERT GOTTLIEB, an individual;) **1) PLAINTIFF'S APPLICATION WITHOUT**
18 SWIDENT, LLC, a California Limited) **NOTICE FOR TEMPORARY RESTRAINING**
19 liability corporation,) **ORDER RE PRESERVING EVIDENCE ; AND**
20)
21 Defendants) **2) PLAINTIFF'S SECOND APPLICATION**
22) **FOR TEMPORARY RESTRAINING ORDER**
23) **RE COPYRIGHT INFRINGEMENT AND**
24) **SHORTENING TIME FOR LIMITED**
25) **DISCOVERY**
26)
27)
28)

1
2 I, Murray Goldenberg, say

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4 1. I am currently the CFO of Nacio Systems, Inc, and have been since 2002. I am
5 also the Acting CFO of Encompass Holdings, Inc., a holding company that acquires various
6 technology and other companies for investment and management purposes.

7 2. Encompass Holdings bought the assets of Attest Systems, Inc from the assignee
8 for the benefit of creditors to which Attest had transferred them. Those assets subsequently were
9 transferred to Nacio Systems, Inc, a Nevada Corporation ("Nacio") In 2006 The Encompass
10 Board of Directors authorized the spun off Nacio into a stand-alone entity, but that has not yet
11 occurred.

12 3. Herb Gottlieb, the former president of Attest, was hired by Nacio (NV) to manage
13 the Attest business, comprising the licensing, sale and maintenance of the GASP software
14 application, which audits computer systems to determine if the various application programs
15 found thereon are validly licensed or pirated copies.

16 4. Attest under Mr. Gottlieb's management required all employees to sign a
17 confidentiality agreement protecting Attest's intellectual property and trade secrets. A true and
18 correct copy of that agreement is attached hereto as Exhibit A.

19 5. Nacio also requires employees to sign a similar agreement. A true and correct
20 copy of Nacio's non-disclosure agreement is attached hereto as Exhibit B

21 6. At all times until after Mr. Gottlieb left Nacio in 2006, I understood that he had
22 executed such agreements, which were handled by the human resources department. Since he
23 left, however, we have been unable to locate any copy signed by Mr. Gottlieb.

24 7. Mr. Gottlieb left the company in February 2006. At that time, we were in
25 discussions with PS'Soft, a large competitor of Attest's in the software audit and asset detection
26 field, to sell or license the GASP Software Information Database ("SID") The SID is one of the
27 key component's of GASP, and consisted of (as of February 2006) of approximately 70,000
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1 records containing proprietary information developed by Attest that permitted GASP to
2 determine whether a given program copy had been validly licensed from one of the numerous
3 sources through which such software might be published.

4 8. Prior to Mr. Gottlieb's departure, I learned that he had taken a position as 'consultant'
5 to PS'Soft. I protested to both Mr. Gottlieb and the PS'Soft executive with whom I was dealing,
6 Mr. Daryl Frahm, that such an engagement was a conflict of interest, given Mr. Gottlieb's
7 extensive knowledge of GASP and Attest's business. After making those call, PS'Soft stopped
8 its inquiry and purchase attempt without giving any reason for having done so.

9 9. When Mr Gottlieb left, he informed me that he had taken various items from his
10 office, including a safe in which we kept copies of the GASP source code and registration key
11 generation software. I asked him to return the software and provide an affidavit that he had
12 neither copied nor transferred it to any other entity. He never either returned the software or
13 provided the requested affidavit.

14 10. Since Mr. Gottlieb left, the revenues Nacio was earning from the Attest GASP
15 software have dropped by approximately 50%.

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17 I declare under penalty of perjury under the laws of the United States that the foregoing is
18 true and correct, and that this declaration was executed in Novato, California on ____, 2007
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21

22 _____
Murray Goldenberg
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